



State of Arizona  
Department of Education

**Tom Horne**  
Superintendent of  
Public Instruction

FD # 02-08

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**MEMORANDUM**

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**TO:** National School Lunch Administrators  
Commodity Contacts

*Original Signed*

**FROM:** Tina Herzog, Program Director  
Food Distribution Program

**SUBJECT:** Welcome Packet – School Year 2008

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**The enclosed materials are for the 2007-2008 school year. It is important that you carefully read the entire memo.**

Below is a list of items attached to this memo or the web addresses where they can be found:

- **SY 08 Calendar for Group A & B commodities.** *These are only **estimated** arrival dates, which are updated monthly and located on our website at <http://www.ade.az.gov/health-safety/cnp/fdp/calendar.asp>*
- **Food Distribution Training Schedule**
- **Storage Self Evaluation Form** – *This must be completed at the beginning of each school year and **kept in your files**. This document will be reviewed by your Specialist on your NSLP review.*
- **Temperature Chart** – *to be posted for all storage areas.*
- **Commodity Fact Sheets** (with Commodity Codes) – *The fact sheets are available on USDA's website: (<http://www.fns.usda.gov/fdd/schfacts/>).*
- **Commodity Values** – *No copy is attached. Please visit the Food Distribution web page (<http://www.ade.az.gov/health-safety/cnp/fdp/>) and click on Commodity Prices to get this year's commodity price list.*
- **Warehouse Order Placement Schedule (U.S. Foodservice)**
- **Delivery Information Application** – *A copy is attached to use if you have any changes. Please send an updated one anytime you have updated personnel or contact information.*
- **Contact List for ADE and U.S. Foodservice**

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## Food Distribution “Overview” Training Opportunities

Food Distribution Overview will teach you how to participate in the commodities program. This workshop is different from the Internet training classes. This is an all-encompassing workshop covering the entire Program of Food Distribution. The Overview training is done in conjunction with the NSLP’s A+ School Lunch training. Commodities training will be included in Day Two of this workshop. If you have questions about the other topics covered in this NSLP training, please contact Crystal Kalahar @ (520) 628-6777 or go to the NSLP website, <http://www.ade.az.gov/health-safety/cnp/nslp/NSLPseminars.asp> . **Registration can be done on-line at [www.ade.az.gov/online/registration](http://www.ade.az.gov/online/registration). There is no charge for this training.** Attached is a list of all training dates, times and locations.

## Commodity Training and Ordering on the Internet

**The Food Distribution Program is operating 100% on-line. You will need to have access to the Internet to be able to order/refuse commodities or view entitlement.**

In order for schools to access allocated commodities, place refusals and commodity orders, all schools need to be registered for access on the CNP2000 Commodity Ordering System. **If you are not currently registered or have not attended training, you need to register immediately.** You must take the Commodity Ordering Web-based Training to learn how to use the Food Distribution CNP2000 Internet program. Enclosed you will find a list of training dates and locations. To register for one of these trainings, please go to <http://www.ade.az.gov/online/registration/> and choose Food Distribution, then select the date and location you would like. For your convenience, “Internet” training classes have been set-up in Phoenix, Tucson and Flagstaff. There is no charge for this training. **Space is limited and classes fill up fast.**

Allocations will be posted on-line for those who have attended training and have a user ID and password. If you are a new Food Service Director and are using a previous director’s ID and password, **STOP!** Everyone on-line must have his or her own password. We will be turning off all passwords of Director’s that have left their current position. **Remember employees of Food Service Management Companies (FSMC) cannot have a login. You must be an employee of the school in order to get a login and access the CNP2000 system. You will be required to show proof of your employment at the time of training.**

ADE will post the allocations on Tuesdays and Thursdays depending on new shipment arrivals at US Foodservice. Therefore, you can view new allocations on Wednesdays and Fridays. *It is suggested that you develop an internal office policy to check for new allocations at least once a week.* You will **not** receive an alert or other notification when a new allocation has been posted to the Internet, so it is important that you check for new allocations on CNP2000 weekly.

A sponsor, that has Internet capabilities and is logged into the system, will be able to receive all allocations on-line. Commodity orders are entered online and go directly to the distributor, therefore expediting your order and reducing your paperwork. **Since U.S. Foodservice requires a 72-hour prior notice for all orders, they have provided an “Order Placement Schedule” for your convenience (included in this packet).**

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## Commodity Distributor/Delivery Prices/Administrative Fee

The Arizona Department of Education (ADE) has renewed the contract with U.S. Foodservice (Contract # ED04-0055) to continue distribution of the USDA commodities for School Year 2007-2008. Please note the new delivery fees listed below, which will be effective beginning September 10, 2007 (delivery fees prior to that date will be the same as last year plus the increased administrative fee (10¢ more).

<i>Prep Site</i>	\$3.43 per case (10 case minimum – ADP of 250 or less) (20 case minimum – ADP of 251 or more)
<i>Warehouse</i>	\$3.28 per case (100 case minimum, exchangeable pallets & Forklift required)
<i>Pick Up</i>	\$2.24 per case (100 case minimum, exchangeable pallets & refrigerated truck required)

The above delivery fees include the new administrative fee of 25¢ for the 2007-2008 school year, which is an increase of 10¢ from the 2006-2007 school year and any increase in delivery charges negotiated between ADE and U.S. Foodservice. The excess storage and private storage fees will remain \$1.10 per case for the upcoming year.

## Excess Storage Charges

ADE will invoice all schools for Excess Storage charges of \$1.10 per case on cases allocated that are not refused by the refusal date or ordered out by the close date. **This fee will be applied to ALL allocations**, including NOA's for A & B commodities, Group B products not ordered out in the month identified on your Planned Usage Request Form, Surplus requests, and Special requests. You will not only be charged the fee but the items will also be removed from your allocation. Invoices are due net 30 days. **If we still have not received payment after 60 days, you will be subject to a late charge and your reimbursement claims will be held until payment has been received.** To avoid any confusion, be sure to identify the invoice number you are paying on the check/warrant.

## Delivery Window

The delivery window for all commodity deliveries by U.S. Foodservice is 6:00 a.m. to 2:30 p.m. If a delivery is refused during these hours, you will be subject to a re-stocking fee of \$0.80 per case with a \$10.00 minimum charge. Many sponsors have been requesting specific delivery times for their school. However, there are approximately 340 sponsors receiving commodities at over 4000 delivery sites. It is not possible for U.S. Foodservice to accommodate delivery time requests.

If you have a problem with a specific delivery day or time, please call Linda Thompson at U.S. Foodservice. If you continue to experience delivery problems, i.e. drivers delivering outside the required time, you need to contact a member of the Food Distribution team immediately. Unless we hear from you with delivery problems, we assume that everything is going smoothly.

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## School Closures

If your school will be closed for an early release day or holiday and you have placed an order for that day, it is **your responsibility** to have someone **readily available** at the school to accept the delivery. You must notify U.S. Foodservice of any school closures that will affect your delivery. Linda Thompson is your contact. You will receive an invoice from U.S. Foodservice for a restocking fee of \$0.80 per case (\$10.00 minimum) if no one is available to receive an order placed by your district. **Best Advice:** Be aware of your school calendar and order accordingly.

## Inventory Management – Single Inventory, Losses and Transfers

In order to make the single inventory system possible, USDA has granted State Distributing Agencies, Department of Education, two voluntary waivers for all schools **not using a Food Service Management Company**: 1) 7 CFR Part 250.14(e) that requires State Distribution Agencies to take an annual physical inventory of USDA commodity foods during the annual sponsor reviews; and 2) 7 CFR Part 250.16(a)(2) that requires sponsors to maintain an accurate and complete inventory of USDA commodity foods. **This waiver does not apply to Food Service Management Companies.**

The Arizona Department of Education has implemented the single inventory record keeping system for eligible schools, but stresses that good inventory management and control practices must be maintained where purchased and commodity foods are inventoried together. Due to implementation of this single inventory system *sponsors not using a management company* **WILL NOT** be required to submit an annual commodity inventory report to ADE at the end of the school year. **Schools using Food Service Management Companies are required to submit the inventory form at the end of each school year, usually by the middle of July.** Even though sponsors that are **not** using a Food Service Management Company will no longer be required to keep a separate inventory of USDA commodity foods, they must treat and safeguard commodities just as they do purchased foods. Schools will still be audited and must show how inventory movement occurred. Therefore, keep documentation of all losses or transfers on file.

Those same sponsors will no longer be required to report loss, damaged or out-of condition commodities to ADE unless the value of the loss exceeds \$2,500. Sponsors will treat the loss in the same manner as you treat purchased food losses, though all losses of USDA commodities should be replaced with like product and documentation should be kept on file at the school. If you have a loss of commodities that exceeds \$2,500, please contact Danielle Daugherty to make a claim.

Finally, arrangements for transfers of commodities to other schools will be done at the local level and is not required to go through ADE. Sponsors may use commodity foods across programs (NSLP, SBP and SFSP) as long as all income accrues to the nonprofit food service account. Sponsors are responsible for ensuring that all food resources are used properly. Misuse of food service commodities is subject to criminal prosecution under Section 12(g) of the National School Lunch Act.

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## Transferring Commodities

If you have any commodities that you are trying to transfer, or if you are looking for a specific commodity and need assistance, you can contact any Food Distribution staff. Commodities can be transferred between sponsors operating on the NSLP or SFSP with the completion of the proper transfer form, which is located on the ADE Food Distribution web page. Transfer forms must be kept on hand by the sponsor in case of an audit. Please contact a member of the Food Distribution team if you have any questions.

## Commercial Labels

USDA will continue to purchase commodities using commercial labels. This is optional for vendors so you may receive both commercial labels as well as USDA labels.

## Processing Commodities

In conjunction with the SNAAZ (School Nutrition Association of Arizona) Fall Conference being held in September, ADE will be conducting an introductory processing workshop, which will focus on how to prepare for processing commodities and some best practices for processing. Attendance at this workshop is highly encouraged for any sponsors that are interested in beginning to process commodities. As details are finalized between SNAAZ and ADE, sponsors will be notified.

## Surplus Commodities

Surplus is available to any school district the entire year. The surplus list is a great way to supplement your current allocations. You can request items from the surplus list to meet your minimum case count, instead of waiting for the next allocation and potentially letting items go past their close date. The list is updated continually as people refuse commodities. You may request a surplus list once a week.

If you are interested in obtaining an updated surplus list, you can call Danielle Daugherty. She will fax you the list to complete and then you can fax back to Barbara Lado so she can allocate your request. Barbara will allocate items from the surplus list by fair share, which means you may not receive all the items or quantities you requested. Surplus allocations only have **one week** from the allocation date until the close date, so you will need to place the items on an order as soon as possible after getting the allocation. **It is your responsibility to put the surplus allocation on an order form.** If the allocation goes past the close date, you will lose the commodities and be charged a storage fee as well.

If there is anything the Food Distribution staff can do to assist you during the school year, please do not hesitate to call any one of the Food Distribution Team. We are here to assist you in any way we can to help ensure a successful Food Distribution Program.

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## **\* NEW \* - CNP2000 Enhancements for SY07-08**

You will notice a few changes on the CNP2000 web-based ordering system. Here are a few:

- Delivery and Contact Information must now be updated online instead of submitting a Delivery Information Application (DIA) at the beginning of the year. Once you have been approved for Food Distribution, you will have to submit a DIA to us for any information changes, since sponsors with an Active status cannot make changes. Please review the memo ([FD Memo 01-08](#)) regarding this enhancement and instructions on how to update your information.
- E-mail functionality is now available in CNP2000. We now have the ability to send e-mail messages via the CNP2000 program. These messages will include food alerts/recalls, memos, updates, deadlines, etc. It is important that you have e-mail addresses listed in CNP2000 in order to get any messages sent. Please review the memo regarding the CNP2000 e-mail function ([FD Memo 03-08](#)) for information on how to retrieve and acknowledge system e-mails.
- The Processing Catalog is now separated into individual processors on the CNP2000 website, which allows you to view a particular processor to see their approved products. Click on the Proc. Catalog link in CNP2000 to see all processors.

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